

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

**MAIL PROCESSING NETWORK
RATIONALIZATION SERVICE CHANGES, 2012**

Docket No. N2012-1

**INTERROGATORIES OF THE AMERICAN POSTAL WORKERS UNION, AFL-CIO
TO USPS WITNESS FRANK NERI
(APWU/USPS-T4-17)
(February 7, 2012)**

Pursuant to Rules 25 through 28 of the Rules of Practice, American Postal Workers Union, AFL-CIO directs the following interrogatories to United States Postal Service witness Frank Neri (USPS-T-16). If the witness is unable to respond to any interrogatory, APWU requests that a response be provided by an appropriate person capable of providing an answer.

Instructions and Definitions applicable to these Interrogatories are contained in the Interrogatories of the American Postal Workers Union, AFL-CIO to the United States Postal Service witness David E. Williams (APWU/USPS-T1-1-4), filed on December 22, 2011, and are hereby incorporated by reference.

Respectfully submitted,

Darryl J. Anderson
Jennifer L. Wood
Counsel for American Postal Workers Union, AFL-CIO

APWU/USPS-T4-17 At page 17 of your testimony, you state:

The proposed operating plan would allow for both the expansion of outgoing operations and service to a larger geographic area. The expanded operating window would take advantage of the economies of scale to “pack” the mail processing equipment. This would result in better equipment utilization and better use of the mail transportation equipment (MTE) and truck capacities.

- a) Please explain the concept of economies of scale as applied in this answer. Please include in your explanation your view as to whether “taking advantage” of economies of scale equates to benefiting from economies of scale in order to achieve increases in workload per workhour productivity.

- b) Do you believe that opportunities for taking advantage of economies of scale in processing operations are limited strictly to the aforementioned “packing of mail processing equipment” in response to expanding operating windows? If you do not believe this is the case, please identify what opportunities exist to benefit from economies of scale other than through increased equipment utilization attributable to expanding operating windows.